



CITY OF LAKE FOREST PARK

CITY COUNCIL

AGENDA COVER SHEET

Meeting Date	August 14, 2025
Originating Department	Finance Department
Contact Person	Lindsey Vaughn, Finance Director
Title	Ordinance 25-1311/Amending the 2025-2026 Budget

Legislative History

- Budget & Finance Committee Meeting June 26, 2025
 - City Council Meeting August 14, 2025
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Attachments:

1. Ordinance 25-1311 Amending 2025-2026 Biennial Budget
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Executive Summary

The proposed ordinance would amend the 2025-2026 budget to reflect actual performance rather than the projected amounts used to adopt the budget. The City of Lake Forest Park develops a budget based on a set of predictions. A city budget is a living document, and since it is impossible to know what will happen in the future, adjustments to the adopted budget are frequently required once the budgetary period is underway. A formal change to an adopted budget is known as a budget amendment. Budgets are adopted at the fund level, as opposed to the line-item or department level. Therefore, budget amendments are also made at the fund level.

Budget amendments do not require public hearings and do not have specific timelines associated with them. However, it is best practice to formally amend a budget before an expenditure is allocated (amend before you spend). A budget amendment must be passed before the last day of the budgetary period to become effective for that adopted fiscal period.

Background

The City adopts a biennial budget spanning two years. Local governments choosing to adopt biennial budgets are required by state statute to perform an in-depth review mid-way through the budget cycle to pinpoint any substantial discrepancies between the projected amounts and the actual financial results. A mid-biennial budget adjustment should be considered if significant differences are identified.

Mid-biennial budget adjustments are a time to 'true-up' the adopted budget to reflect actual performance. Budgets are living documents created with the best knowledge at the time of adoption. Budget adjustments, or amendments, are considered a normal course of action in local government.

Fiscal & Policy Implications

General Fund: Within the general fund, there are two direct pass-through items for the Police Department, starting with third-party overtime reimbursement for security services provided, which generates revenue to the city. The revenue is directly passed through to expand the overtime budget to pay for the Police Overtime salaries and benefits. The Police Department also received a state grant that they can elect to use as they desire, and they are using the funds to pay for an additional Star Chase subscription, new office chairs, and some upgrades to the sally port and evidence room. The Police CBA was agreed to and adopted by the City Council after the budget was approved, and the actual cost impact to the budget needs to be amended.

The expansion of the Court Probation Officer position from a 0.2 to a 0.3 employee was a request made within the 2025-2026 regular budget process but was unintentionally not included and needs to be corrected. Laserfiche was included in the original adopted budget (Court/Municipal Services departments), but the actual cost exceeded the original budget, and the budget needs to be increased.

The City Hall Facilities have had some unforeseen health and safety challenges that immediately needed to be addressed by our new Public Works Director. So, the budgets for professional services, repairs, and maintenance are being expanded.

Traffic Safety Fund: The new traffic safety camera and resulting ticket volume required the Court to redesign its work area to accommodate more employees and amend expenditures for some supplies, equipment, and professional services. The fund is supporting the purchase of two police vehicles as a qualifying and agreed expense by the Council that was not included in the original budget.

Surface Water Capital Fund: The requested increase is from the Public Works Yard Material Bin Covers Project change order, where the contractor exposed contaminated soils on the construction site that required proper remediation.

Vehicle & Equipment Replacement Fund: During the original budget discussions, the City allocated the revenue side of the vehicle and equipment replacement fund and reserved it for a larger discussion of the fleet strategy for the Public Works and Police Departments. The City is funding the purchase of three police patrol vehicles and a transport van, in addition to an F-150, a Chevy 2500, and an F-550 for the Public Works Department. The maintenance is for the large sweeper head repair and replacement.

Please see the table below that shows allocation changes by fund.

GENERAL FUND 001

<u>Title</u>	<u>Revenue(R)/Expend.(E)</u>	<u>Adjustment Type¹</u>	<u>2025-2026</u>	<u>Total</u>	<u>Total</u>
			<u>Adjustment</u> <u>Amount</u>	<u>Revenue</u>	<u>Expenditure</u>
Police Services: Overtime Reimbursed for Security Services	R		\$ 165,000	\$ 165,000	
Pass-through revenue					
Police Dept: Accreditation Incentive Grant (pass-through for PD)	R		\$ 43,478	\$ 43,478	
General Fund Revenue Adjustment Total			\$ 208,478	\$ 208,478	
Court Salaries: Probation Officer hour increase to .3 from .2	E		\$ 19,000		\$ 19,000
Court Salaries: Probation Officer hour increase to .3 from .2	E		\$ 2,000		\$ 2,000
Police Salaries per CBA 2025 & 2026	E		\$ 45,000		\$ 45,000
Police Overtime (Pass-through supported by outside revenue)	E		\$ 165,000		\$ 165,000
Police Benefits per CBA 2025 & 2026	E		\$ 7,500		\$ 7,500
Police Dept: Supplies	E		\$ 17,206		\$ 17,206
Poice Dept: Office Equipment	E		\$ 18,000		\$ 18,000
Police Dept: Dues & Subscription Star Chase	E		\$ 8,273		\$ 8,273
Court/Municipal Services: Laserfische	E		\$ 12,000		\$ 12,000
Parks: Equipment Purchase Gate for Lyon Creek Preserve	E		\$ 15,000		\$ 15,000
Facilities: Professional Services	E		\$ 30,000		\$ 30,000
Facilities: Repairs & Maintenance	E		\$ 90,000		\$ 90,000
General Fund Expenditure Adjustment Total			\$ 428,978		\$ 428,978
Total Net Change to the General Fund			\$ (220,500)		

TRAFFIC SAFETY FUND 002

<u>Title</u>	<u>Revenue(R)/Expend.(E)</u>	<u>Adjustment Type¹</u>	<u>2025-2026</u>	<u>Total</u>	<u>Total</u>
			<u>Adjustment</u> <u>Amount</u>	<u>Revenue</u>	<u>Expenditure</u>
				\$ -	
Traffic Safety Fund Revenue Adjustment Total			\$ -	\$ -	
Court: Supplies	E		\$ 3,500		\$ 3,500
Court: Small Tools & Equipment	E		\$ 20,000		\$ 20,000
Professional Services	E		\$ 3,000		\$ 3,000
Transfer Out to Vehicle Replacement Fund 501	E		\$ 169,886		\$ 169,886
Traffic Safety Fund Expenditure Adjustment Total			\$ 196,386		\$ 196,386
Total Net Change to the Traffic Safety Fund			\$ (196,386)		

SURFACE WATER CAPITAL FUND 404					
Title			2025-2026	Total Revenue	Total Expenditure
			Budget Amount		
Surface Water Capital Revenue Adjustment Total			\$ -	\$ -	
Public Works Yard Materials Bin Cover Change Order Cont. Soils, etc.	E		\$ 133,000		\$ 133,000
Surface Water Capital Fund Expenditure Adjustment Total			\$ 133,000		\$ 133,000
Total Net Change to the Surface Water Capital Fund			(133,000)		
VEHICLE & EQUIPMENT REPLACEMENT FUND 501					
Title			2025-2026	Total Revenue	Total Expenditure
			Budget Amount		
Transfer In from Traffic Safety Fund 002 Police Vehicles	R		\$ 169,886	\$ 169,886	
Vehicle and Equipment Revenue Adjustment Total			\$ 169,886	\$ 169,886	
Public Works Equipment: Maintenance Sweeper Repairs	E		\$ 34,000		\$ 34,000
Police Department Vehicle Replacement	E		\$ 348,580		\$ 348,580
Public Works Vehicles: Replacement	E		\$ 510,338		\$ 510,338
Vehicle & Equipment Fund Expenditure Adjustment Total			\$ 892,918		\$ 892,918
Total Net Change to the Vehicle & Equipment Fund			\$ (723,032)		

Please see the table below that shows allocation changes by fund.

		<u>Projected</u> <u>Beginning Fund</u>		<u>Proposed</u>	<u>Adopted</u>	<u>Proposed</u>	<u>Projected</u>
<u>Fund</u>		<u>Balance</u>	<u>Adopted 2025-</u>	<u>2025-2026</u>	<u>2025-2026</u>	<u>2025-2026</u>	<u>Ending Fund</u>
<u>No.</u>	<u>Fund Description</u>	<u>1/1/2025</u>	<u>2026 Revenue</u>	<u>Revenue</u>	<u>Expenditure</u>	<u>Expenditures</u>	<u>Balance</u>
001	General	\$ 9,912,822	\$ 26,110,787	\$26,319,265	\$26,992,986	\$ 27,421,965	\$ 8,810,122
002	Traffic Safety *New*	\$ 279,000	\$ 8,000,000	\$ 8,000,000	\$ 3,360,500	\$ 3,556,886	\$ 4,722,114
101	Street	\$ 753,265	\$ 1,409,893	\$ 1,409,893	\$ 2,048,751	\$ 2,048,751	\$ 114,407
102	Council Contingency	\$ 794,932	\$ 44,000	\$ 44,000	\$ -	\$ -	\$ 838,932
104	Transportation Benefit Dist.	\$ 1,273,919	\$ 1,515,328	\$ 1,515,328	\$ 804,809	\$ 804,809	\$ 1,984,438
105	Budget Stabilization	\$ 346,602	\$ 18,500	\$ 18,500	\$ -	\$ -	\$ 365,102
106	Strategic Opportunity Fund	\$ 982,898	\$ 554,500	\$ 554,500	\$ 530,000	\$ 530,000	\$ 1,007,398
301	Capital Improvement	\$ 1,107,862	\$ 1,368,000	\$ 1,368,000	\$ 951,431	\$ 951,431	\$ 1,524,431
302	Transportation Capital	\$ 2,329,099	\$ 7,562,393	\$ 7,562,393	\$ 8,720,311	\$ 8,720,311	\$ 1,171,181
303	Capital Facilities Maintenance	\$ 1,206,050	\$ 309,000	\$ 309,000	\$ 945,000	\$ 945,000	\$ 570,050
401	Sewer Utility	\$ 986,077	\$ 8,948,058	\$ 8,948,058	\$ 8,901,291	\$ 8,901,291	\$ 1,032,844
402	Sewer Capital	\$ 4,033,000	\$ 451,000	\$ 451,000	\$ 3,074,000	\$ 3,074,000	\$ 1,410,000
403	Surface Water Utility	\$ 966,053	\$ 3,813,071	\$ 3,813,071	\$ 3,838,615	\$ 3,838,615	\$ 940,508
404	Surface Water Capital	\$ 454,234	\$ 3,640,000	\$ 3,640,000	\$ 3,160,000	\$ 3,293,000	\$ 801,234
406	Sewer Bond Reserve	\$ 115,858	\$ 6,000	\$ 6,000	\$ -	\$ -	\$ 121,858
407	PW Trust Fund Repayment	\$ 653,930	\$ 308,500	\$ 308,500	\$ 242,805	\$ 242,805	\$ 719,625
450	Public Works Contract			\$ -		\$ -	\$ -
501	Vehicle & Equip. Replacement	\$ 1,685,558	\$ 972,562	\$ 1,142,448	\$ 356,105	\$ 1,249,023	\$ 1,578,983
502	Information Technology Fund	\$ 390,711	\$ 450,198	\$ 450,198	\$ 393,500	\$ 393,500	\$ 447,409

Alternatives

<i>Options</i>	<i>Results</i>
<ul style="list-style-type: none">• Adopt budget amendment ordinance	Align the budget to reflect additional revenues and expenditures
<ul style="list-style-type: none">• Do not adopt budget amendment ordinance	Keep the budget appropriations as currently adopted and not align the budget numbers to reflect the current financial allocations.

Staff Recommendation

Adopt Ordinance 25-1311/Amending the 2025-206 Budget.